

Division of Health Policy & Finance

Operations. The Division of Health Policy and Finance (HPF) has administrative responsibility for the state-funded health insurance programs in FY 2006. The Division develops policies and manages programs that fund health care services for persons who qualify for Medicaid, and the State Children's Health Insurance Program. Persons served by these programs include low-income children and adults, people with disabilities, and the elderly.

In addition to administering managed care and fee-for-service purchasing systems, HPF oversees a fiscal agent under contract who operates the Medicaid Management Information System, ensures compliance with federal regulations, and coordinates health care purchasing and planning among various state agencies. In 2005 House Substitute for SB 272, these functions were transferred to HPF from the Department of Social and Rehabilitation Services for FY 2006. For FY 2007, these functions are scheduled to be transferred again to the new Kansas Health Policy Authority.

The Division is also responsible for determining eligibility and paying claims from the State Workers Compensation Self-Insurance Fund for health services related to workplace injuries. In accordance with SB 272, this function was transferred from the Insurance Department to HPF for FY 2006. For FY 2007, this function also is scheduled to be transferred again to the new Kansas Health Policy Authority.

As a part of her budget recommendation, the Governor proposes a slight change to SB 272. The Governor proposes a one-year delay, until July 1, 2007, in the transfer of health programs from the Division of Health Policy and Finance in the Department of Administration to the Kansas Health Policy Authority. This delay would allow for the program administrators to transition in an orderly way and become acclimated to their new roles with the support of the Department of Administration. Further, the Governor recommends

that instead of operating as a distinct new agency in FY 2006 and FY 2007, the Kansas Health Policy Authority should operate as a distinct program from within HPF. The arrangement would be similar to the relationship between the Children's Cabinet and SRS. The Authority would still be a distinct unit but would receive administrative support and services through HPF and the Department of Administration. The Governor's budget recommendation reflects this proposal by moving all FY 2006 and FY 2007 expenditures from the Authority to HPF.

Goals and Objectives. The goals of the program include the following:

Maintain and improve the health of eligible children and adults through quality-based purchasing decisions.

Advance the use of evidence-based practice to promote high quality health care delivery.

Promote efficiency in the health marketplace by encouraging the use of technology.

Statutory History. The HPF was created in 2005 House Substitute for SB 272. Federal requirements concerning the Medicaid Program are contained in Title XIX of the Social Security Act. KSA 2005 Supp. 39-708c provides general authorization for the HPF to enter into state plans for participation in federal grant programs in FY 2006. KSA 39-708c(a) specifically authorizes the state to administer a medical assistance program. KSA 39-708c(x), as amended by the 1990 Kansas Legislature, pertains to the establishment of rates for payment of services, and KSA 39-709 establishes eligibility criteria for the program. The 1998 Legislature enacted legislation that authorized implementation of the HealthWave insurance program for uninsured children. Authority for the Workers Compensation Program is found in KSA 44-501 through 44-580. The State Workers Compensation Self-Insurance Fund was created in 1974 Legislature.

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	FY 2005*	FY 2006	FY 2007	FY 2007	FY 2007
	Actual	Gov. Estimate	Base Budget	Enhanc. Pkg.	Gov. Rec.
Expenditures by Program					
Kansas Health Policy Authority	--	250,173	--	--	476,077
Business Health Partnership	--	500,000	--	--	2,000,000
Generic Drug Program	--	200,000	--	--	400,000
Medical Policy Administration	365,044	25,668,341	--	--	21,035,726
MMIS Summary	--	34,734,798	--	--	37,734,798
Health Wave Administration	--	11,619,213	--	--	11,619,213
Ticket To Work	--	664,189	--	--	669,039
Regular Medical	--	1,301,525,860	--	--	1,298,616,863
Benefits Administration	--	--	--	--	1,059,767
Total Expenditures	\$365,044	\$1,375,162,574	\$ --	\$ --	\$1,373,611,483
Expenditures by Object					
Salaries and Wages	300,921	7,690,228	--	--	7,897,337
Contractual Services	62,253	65,181,526	--	--	64,606,073
Commodities	931	64,960	--	--	72,210
Capital Outlay	939	--	--	--	--
Debt Service	--	--	--	--	--
Subtotal: State Operations	365,044	\$72,936,714	\$ --	\$ --	\$72,575,620
Aid to Local Governments	--	--	--	--	--
Other Assistance	--	1,302,225,860	--	--	1,301,016,863
Subtotal: Operating Expenditures	\$365,044	\$1,302,225,860	\$ --	\$ --	\$1,301,016,863
Capital Improvements	--	--	--	--	--
Total Reportable Expenditures	\$365,044	\$1,375,162,574	\$ --	\$ --	\$1,373,592,483
Non-expense Items	--	--	--	--	19,000
Total Expenditures by Object	\$365,044	\$1,375,162,574	\$ --	\$ --	\$1,373,611,483
Expenditures by Fund					
State General Fund	--	426,843,212	--	--	417,615,683
Water Plan Fund	--	--	--	--	--
EDIF	--	--	--	--	--
Children's Initiatives Fund	--	5,500,000	--	--	5,500,000
Building Funds	--	--	--	--	--
Other Funds	365,044	942,819,362	--	--	950,495,800
Total Expenditures by Fund	\$365,044	\$1,375,162,574	\$ --	\$ --	\$1,373,611,483
FTE Positions	--	129.88	--	--	130.88
Non-FTE Unclassified Permanent	4.00	9.99	--	--	9.99
Total Positions	4.00	139.87	--	--	140.87

*Represents the Office of Health Planning and Finance only.

Performance Measures

There are no performance measures for this program.